

Russ Chew 1-800-FAA-NEWS Phone Message April 21st, 2006

Hello, this is Russ Chew with this week's update for April 21st

Well this week, the ATO transition team, Human Resources, and the Finance Office briefed our employees at the six regional areas affected by the service area restructuring. Now that we have selected the service center managers, we are well on our way to standing up the new service centers on June 26th - just two months away.

Next will be the Group Managers – which are those who will report to the service center managers – which should be announced by May 5th. We've started talks with our unions who represent some of our people affected by this restructuring; and we hope that these discussions will be completed in the next couple of weeks.

We also published announcements for the positions in the new service centers, which gives our folks in the six affected regions the opportunity to choose alternate locations and positions. Starting next month, our regional office employees can expect to begin receiving Directed Reassignment offers. Now these letters will include more

information on which group they will be assigned to in the new service centers, their move window, and alternative options.

Again, I just want to say that I do know how difficult these moves and organizational changes can be on everyone, especially on those who's position is being relocated; but it's also absolutely necessary if we are to make real progress to being able to support our operation with fewer people and get a handle on the growth of our overhead costs.

Also last week, we completed our monthly executive review of our Flight Plan progress, and I'm happy to report that we continue to do well so far this year. As of the end of March, 27 of the 30 performance targets are green, meaning they are on track. We have two measures that are "yellow" and one that is "red".

One "yellow" is the Operational Error Rate, which although it's "yellow", we appear to be holding onto the 5% margin from going over the limit. Throughout the month, the trends are moving in the right direction, though our En Route trend is a little better than terminal's trend. But I was glad to hear that both En Route and Terminal are being proactive at focusing in on those factors associated with the incidents to help prevent similar ones in the future. But as always, let's all pay close attention to making sure we don't let the current situation with contract negotiations distract us from our day-to-day mission.

The other "yellow" is the Average Airport Daily Capacity at the 35 OEP airports, which measures the total of our departure and arrival call rates for one day. We started off this year in the "red"; but our people in Terminal have done a great job of stressing the importance of accurate call rates, and I'm optimistic that we can turn this "green" by year-end if we keep it up. Last month, we struggled with keeping our call rates up though some pretty windy conditions at the New York airports. Also, Atlanta, O'Hare, L.A., Philadelphia, and San Francisco were hit with more low ceilings and visibility, when compared to same time period in '04 and '05.

The "red" performance target was the Commercial Air Carrier Fatal Accident Rate. As I've mentioned before, this is due to two fatal accidents in December and one in January which all factor into the three-year rate. There is still a chance that this goal can turn back into green as accidents from 3 years ago fall out of the rolling three-year rate by September – but to achieve that, there can be no more fatal accidents for the rest of the year.

Finally, I want to make sure everyone's heard about the recent completion of the Enhanced Backup Surveillance program (EBUS), which ends the first phase of the En Route Automation Modernization (ERAM) program. This is the new and more capable backup automation system to our host computer in our enroute centers; and which I'm happy to report completes another major milestone in our ERAM program; which happens to also be our largest and most complex capital program ever. So I'd like to recognize everyone

who's worked hard to bring this program in a month early and \$2 million under budget. That's great work!

One final note -- I need to make a correction to last week's message. I said that we had placed a regional LR specialist at Houston Center. This successful test was actually conducted at Atlanta Center.

Well, that's it for this week. Thanks for listening, and I'll talk to you again next week.